



**UNITED STATES
HOUSE OF REPRESENTATIVES**

Statement for the Record

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Presented to the Committee on Ways and Means

Hearing on Economic Recovery, Job Creation and Investment in America

October 29, 2008

Mr. Chairman, thank you for the time today during this economic stimulus hearing. I must ask the question: what's missing from this hearing? Amid all the talk about economic stimulus, we are not talking about the gains from trade, the one bright spot in our economy. In fact, 90% of our economic growth in the last quarter was due to exports.

The facts tell us that previously implemented fair trade agreements are working. Exports are the one shining example in our economic picture – literally keeping the recession floodwaters at bay. Virtually all economic growth has been due to surging exports, and let's not forget exports support 57 million workers, over 40% of the workforce. Jobs in trade are also good jobs, paying up to 18% more in average wages, and trade means the average American family has \$9,000 more in purchasing power every year.

Opponents of fair trade agreements try to argue opening trade markets hurts our economy and causes job losses. Again, reviewing the numbers proves this is just not true. First, 40% of our exports go to countries we have signed trade agreements with – but those countries make up only 7% of the world's economy. Since 2002, twelve fair trade agreements have been implemented. Our trade balance with those nations is now 341% better, with a surplus of almost \$22 billion. We also now enjoy a manufacturing trade surplus with our fair trade agreement partners of \$11.6 billion as of August.

Opponents of fair trade agreements like to argue that CAFTA-DR is a bad agreement. This couldn't be further from the facts. It has proven to be an excellent agreement. Before the agreement, we had a deficit of \$1.9 billion with the CAFTA-DR countries because of the one-way preferential access for these countries. By 2007, because of CAFTA-DR, we had a \$3.7 billion surplus, and so far through August of this year we have a surplus of \$4.3 billion. CAFTA-DR is actually growing our economy and creating jobs for U.S. exporters! It is a model for the potential of Colombia and Panama, both agreements that open one-way markets to full partnership. Colombia, with a larger population than CAFTA-DR countries, can be an even greater market opportunity with implementation of the agreement.

Let's look at the numbers: pending agreements with Colombia, Panama, and South Korea would grow exports of American-made products by at least \$10.8 billion. That means jobs for U.S. workers at a time when those jobs are needed most. Importantly, in the case of Colombia and Panama, let me reiterate the fact that virtually all products, goods and services that are produced in those countries come into the United States duty free, but our products we want to export face significant tariff barriers. In the case of Colombia, it has meant an ever growing tax of now over \$1.3 billion on American-made products – money that could be going back into our economy with passage of this trade agreement. Our products face an average 14% tariff going into Colombia, hurting our competitiveness, stifling economic expansion.

As of today, it's been 708 days since the Colombia agreement was signed, and this committee has failed in its responsibility to even hold a hearing on the pending agreement. What possible reason can there be for not holding hearings and moving forward with this good agreement? The facts show we can change our one-way street with Colombia to a two-way partnership where both our countries benefit and our economies grow.

Mr. Chairman, to help stimulate the economy, I urge you to work with the Democratic leadership to move forward with pending trade agreements with Colombia, Panama and Korea, agreements that would help our economy now and in the future.

I ask the following article, "Uribe: Colombia Investor-Friendly" by Colombian President Alvaro Uribe be inserted into the record as well as these 108 editorials in support of the Colombia Trade Promotion Agreement.